

Message Text

CONFIDENTIAL

PAGE 01 PORT M 01102 222337Z

21

ACTION EA-09

INFO OCT-01 ISO-00 PM-04 NSC-05 SP-02 SS-15 CIAE-00 INR-07

NSAE-00 DODE-00 XMB-02 EB-07 AID-05 IO-10 OMB-01 /068 W

----- 091845

R 220545Z OCT 75

FM AMEMBASSY PORT MORESBY

TO SECSTATE WASHDC 986

INFO AMEMBASSY CANBERRA

CINCPAC

C O N F I D E N T I A L PORT MORESBY 1102

CINCPAC FOR POLAD

E.O. 11652: GDS

TAGS: PGOV, PP

SUBJECT: BOUGAINVILLE SITUATION

1. DON VERNON, MANAGING DIRECTOR OF BOUGAINVILLE COPPER LTD. (BCL) CALLED ON ME WITH TWO OF HIS ASSOCIATES TO DISCUSS SECESSIONIST ACTIVITIES ON BOUGAINVILLE. IN VIEW OF BCL'S CURRENT ATTEMPTS TO OBTAIN EXIM OR OTHER U.S. FINANCING FOR EUCLID TRUCKS HE WANTED TO BE SURE WE WERE KEPT CURRENT ON DEVELOPMENTS. PICTURE AS BCL SEES IT IS AS FOLLOWS:

2. THE DESIRE FOR INDEPENDENCE IN BOUGAINVILLE IS VERY STRONG. EARLIER THE SECESSIONISTS MAY HAVE ADVOCATED SECESSION IN ORDER TO BRING PRESSURE ON THE CENTRAL GOVT FOR INCREASED FINANCIAL SUPPORT, BUT NOW THEY ADVOCATE SECESSION BECAUSE THEY WANT IT. MANY OF THE PEOPLE ADVOCATING INDEPENDENCE, HOWEVER, DON'T HAVE A VERY CLEAR IDEA OF WHAT IT MEANS.

3. THE SECESSIONISTS ARE VERY WELL FINANCED, AND NO ONE KNOWS WHERE THEIR FUNDS ARE COMING FROM. THEY HAVE RETAINED A SYDNEY LAW FIRM TO REPRESENT THEM.

4. THE SECESSIONISTS HAVE ASKED BCL TO PAY ITS TAXES TO BOUGAINVILLE, NOT TO THE CENTRAL GOVERNMENT. BCL WILL NOT DO

CONFIDENTIAL

PAGE 02 PORT M 01102 222337Z

THIS, AND WHEN ITS REFUSAL BECOMES CLEAR TO THE SECESSIONISTS,

THERE MAY BE SERIOUS REPERCUSSIONS.

5. BCL IS PAINFULLY AWARE OF ITS VULNERABILITY. THE MINE WOULD BE HURT IF THE ONE THOUSAND BOUGAINVILLIANS ON ITS PAYROLL STRUCK, BUT IT COULD CONTINUE OPERATIONS AT A REDUCED LEVEL. IT COULD ALSO BE HURT BY SABOTAGE.

6. BCL VISITORS THINK DR. ALEXIS SAREI IS A WEAK CHARACTER WHO, MORE THAN ANYTHING ELSE, WANTS OUT OF THE PRESENT MESS. THEY THINK HE WANTS TO GET OUT OF POLITICS BUT FEELS A CERTAIN RESPONSIBILITY TO THE BOUGAINVILLE PEOPLE AS HE WAS ONE OF THOSE LEADING THEM INTO THE PRESENT SITUATION. SAREI APPLIED FOR A JOB WITH BCL, BUT BCL WILL NOT THINK ABOUT HIRING HIM UNTIL HE IS COMPLETELY OUT OF POLITICS.

7. FATHER MOMIS HAS NOT YET RETURNED TO BOUGAINVILLE SINCE HE LEFT TO GO TO THE UN IN AUGUST TO PRESENT THE SECESSIONIST CASE. BCL REPS THINK MOMIS STAYED IN THE U.S. FOR A WHILE AND THEN WENT ON TO THE UK BEFORE GOING TO THE SOLOMON ISLANDS. THERE ARE TWO THEORIES ABOUT HIM: (1) HE WAS DISAPPOINTED THAT HE ACCOMPLISHED NOTHING AT THE UN, FEELS TOO SHAMED TO RETURN TO HIS PEOPLE, AND IS IN A RETREAT IN THE SOLOMON ISLANDS PRAYING FOR GUIDANCE, AND (2) HE WAS TRYING TO GET MONEY AND SUPPORT FOR THE SECESSIONIST CAUSE IN THE UK AND U.S. AND IS NOW TRYING TO OBTAIN THE SUPPORT OF THE SOLOMON ISLANDS FOR THE SECESSIONIST CAUSE BY WORKING THROUGH THE MARIST ORDER WHICH IS VERY STRONG THERE AND WHICH HAS CLOSE RELATIONS WITH THE MARIST ORDER IN BOUGAINVILLE. THE BCL VISITORS SAID HANNETT HAD BEEN VERY COCKY AND SELF-CONFIDENT RECENTLY, AND THEY SPECULATED THAT MOMIS MAY HAVE WON THE SUPPORT OF SOLOMON ISLANDS CHIEF MINISTER MAMALONI. (COMMETN: TODAY'S RADIO REPORT THAT THE MEETING BETWEEN PRIMIN SOMARE AND THE SECESSIONIST LEADERS WILL BE HELD IN HONIARA TAKES ON NEW SIGNIFICANCE IF THE BCL SPECULATIONS ARE CORRECT.)

8. ON THE FINANCIAL SIDE VERNON EXPRESSED HIS DISAPPOINTMENT THAT EXIM BANK CONTINUED TO INSIST ON AN OFFSHORE GUARANTEE FOR THE EUCLID TRUCKS. BCL IS NOT WILLING TO SEEK SUCH A GUARANTEE, AND IS NOW TALKING TO THE BANK OF AMERICA ABOUT THE LOAN.

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 PORT M 01102 222337Z

9. COMMENT: BCL'S CRYSTAL BALL DOES NOT APPEAR TO BE MUCH CLEARER THAN ANY OF THE OTHERS AROUND MORESBY. BCL IS WATCHING THE SITUATION VERY CAREFULLY, AND TAKING EACH DAY AS IT COMES. THE BCL REPS WERE NOT INCLINED TO SPECULATE ABOUT THE FUTURE.

10. IF THE DEPARTMENT OR CANBERRA IS RECEIVING INTELLIGENCE REPORTS ABOUT THE POSSIBLY EXTERNAL SOURCE OF THE FINANCING

FOR THE SECESSIONISTS, WE WOULD BE VERY INTERESTED IN THE
INFORMATION.
OLMSTED

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SECESSION, POLITICAL SITUATION, DIPLOMATIC DISCUSSIONS, DISSIDENT FACTIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 22 OCT 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: greeneet
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975PORTM01102
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750367-0985
From: PORT MORESBY
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19751028/aaaaazfj.tel
Line Count: 118
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: greeneet
Review Comment: n/a
Review Content Flags:
Review Date: 08 JUL 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <08 JUL 2003 by ShawDG>; APPROVED <12 NOV 2003 by greeneet>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: BOUGAINVILLE SITUATION
TAGS: PGOV, PP, (VERNON, DON)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006